

6th & Yesler

City Surplus Property Development

Request for Developer Qualifications / Proposals

Submittals must be received by City of Seattle Office of Housing
no later than July 29, 2005

Deliver copies of the submittals as required on the submittal checklist via U.S. mail,
delivery service, or in person to:

**City of Seattle
Office of Housing
Attn: Adrienne Quinn, Director
700 Fifth Avenue, Suite 5700
PO Box 94725
Seattle, WA 98124-4725**

(206) 684-0721

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INTRODUCTION

REQUEST FOR DEVELOPER QUALIFICATIONS / PROPOSALS

The City of Seattle Office of Housing is seeking proposals from qualified developer(s) interested in purchasing and developing one parcel located in the Chinatown/International District. Proposals must be submitted to the City of Seattle, Office of Housing, no later than Friday, July 29, 2005 at 4:00 PM (PST).

REVISIONS

The City reserves the right to revise to amend this RDQ/P for any reason at any time. Revisions or amendments will be sent to all parties who requested copies of the RDQ/P, as well as being posted on the Office of Housing website at www.seattle.gov/housing/. Any party failing to submit information in accordance with the procedures set forth in this RDQ/P is subject to disqualification by the City of Seattle.

QUESTIONS

If you have additional questions regarding this RDQ/P or the selection process contact: Adrienne Quinn, Director, Office of Housing, at (206) 684-0721 or by e-mail at adrienne.quinn@seattle.gov.

BACKGROUND

PROPOSAL SUMMARY

The City of Seattle Office of Housing is seeking proposals from qualified developer(s) interested in purchasing and developing one parcel located in the Chinatown/International District, at the corner of 6th Ave. S & Yesler. Respondents may submit a proposal for developing the site as a stand-alone housing development or as part of a larger development with any adjacent parcel.

Developers must submit a proposal that meets the Office of Housing objectives, including developing the site or the site in conjunction with an adjacent site with at least 30 homeownership units that will be affordable to people at or below 80% of the area median income. The property will be sold for consideration the City determines adequate. Offers for less than the appraised value of \$830,000 may be considered if it is determined to be necessary to meet housing affordability goals. The complete proposal requirements are set forth in this RFQ/P. This RDQ/P is intended to encourage the private development of the subject property and any adjacent property in a way that will best meet the needs of the City.

In addition, the proposed project must comply with all local, state and federal rules and statutes necessary to obtain development permits and approvals.

PROPERTY

The property that is the subject of this RDQ/P is currently used as a parking lot at the corner of 6th Avenue S & Yesler. The property address is 110 6th Avenue S, Seattle, WA 98104.

Lot Size

7,200 sq.ft.

Legal Description

The east ½ of Lots 7 and 8, Block 31, D.S. Maynards, as recorded in Volume 1 of Plats, Page 23, records in King County Washington.

Tax Parcel No.

524780-1526-08

Zoning

International District Residential (IDR-150')

APPLICATION PROCESS

DEADLINE

Proposals must be received by the Office of Housing no later than 4:00 PM on Friday, July 29, 2005. Nine (9) copies of the RDQ/P response package must be delivered to:

**City of Seattle
Office of Housing
Attn: Adrienne Quinn, Director
700 Fifth Avenue, Suite 5700
PO Box 94725
Seattle, WA 98124-4725**

Proposals must be complete in order to be reviewed. Complete proposals must include all the items listed in Appendix A Submittal Checklist. Incomplete proposals will be returned to the applicant. If the responses received are determined to be incomplete or inadequate, the Office of Housing reserves the right to re-advertise the property or otherwise dispose of the property in accordance with the applicable laws.

DISCLOSURE

All proposals and related materials become the property of the City upon delivery to the Office of Housing. State law, RCW Ch. 42.17, provides that public records be subject to public inspection and copying unless specifically exempted. RCW Ch. 42.17 enumerates limited exemptions a public agency's obligation to disclose public records. If the applicant believes that portions of its proposal are exempt from disclosure to third parties, the applicant must clearly label the specific portions sought to be kept confidential and specify an exemption that the applicant is relying on. However, acceptance of a proposal containing such designations by OH is not an agreement that such material is legally confidential, and OH cannot guarantee that such information will not be disclosed.

The applicant recognizes and agrees that the City will not be responsible or liable in any way for any losses that the respondent may suffer from the disclosure of information or materials to third parties, nor for any use of information or materials by third parties.

All costs of preparation of Proposals and all related expenses are at the sole risk of the Developer. No Developer shall have any claim against the City for any costs incurred in responding to this RDQ/P or in any negotiations, modifications of proposals, presentations or other actions to secure a contract for purchase of the Property, whether or not at the request of the City. Unless and until a purchase and sale contract shall have been duly authorized by ordinance and signed by the City and the Developer, the City shall retain the right to terminate the sales process, and/or to dispose of the Property in any manner permitted by law, without liability to any Developer.

RCW 35.81.095 provides in part:

“A municipality shall not be required to select or enter into a contract with any proposer or to compensate the proposer for the cost of preparing a proposal or negotiating with the municipality.”

REVIEW PROCESS / PROPOSAL SELECTION

The Office of Housing will review proposals to ensure they are complete and responsive to the RDQ/P. The Office of Housing will form a review committee composed of representatives from the Office of Housing and other City departments to assist in the selection process; the review committee will provide recommendations to the OH Director. The OH Director will select the proposal to be recommended to City Council for final approval of a purchase and sale agreement or lease. The Office of Housing will be responsible for selecting the proposal that best meets the objectives outlined in this RDQ/P. Proposals must meet threshold criteria for feasibility and developer experience.

The selection process will review and rank the proposals using the following criteria:

1. Project financial feasibility that clearly demonstrates realistic funding sources that are possible to assemble in a reasonable time frame
2. Ability to construct project without use of other City funds except homebuyer downpayment assistance dollars, which will be awarded to eligible homebuyer families
3. Development team's experience and financial capacity
4. Inclusion of at least 30 homeownership units that are affordable to people at 80% of median income and below

5. Project's street level design, amenities, and relationship to nearby development
6. Project's inclusion of sustainable design principles
7. Development team's readiness and demonstrated ability to proceed in a timely manner
8. Offer price for the land
9. Incorporation of the subject site into a larger project to support the maximum amount of housing on-site
10. Encourage affordable housing in mixed-income and mixed-use configuration
11. Develop ground-level uses that create lively and pedestrian friendly streetscapes.

The Office of Housing reserves the right to reject all offers and/or to revise the criteria if necessary to better meet the City's housing goals.

PRICE

The 6th & Yesler site has a 2005 appraised value of \$830,000. Developers are encouraged to submit offers for the full appraised value of the site.

State law requires the sale, lease or transfer of the Property for “consideration the municipality determines adequate.” See RCW 35.81.090(2). In determining the adequacy of consideration, the City may take into account (a) the uses permitted, (b) the restrictions, covenants, conditions and obligations assumed by the Developer, and (c) the public benefits to be realized by the proposed project.

If a developer submits an offer price below appraised value, the developer must show the added costs and a resultant residual land value. Price reductions will be considered, if it is determined to be necessary to meet housing affordability goals.

The sale price is subject to approval by City Council.

GOOD FAITH DEPOSIT

Within 15 days of receiving the letter of intent from the Director of the Office of Housing notifying the Developer they have been conditionally selected to purchase and develop the parcel, the selected Developer must deposit five percent (5%) of the land value as identified on the Preliminary Development Proposal submittal.

EARNEST MONEY

At the time of signing the Purchase and Sale Agreement, the good faith deposit will be converted to earnest money. The successful developer must make an additional deposit so that the total Earnest Money equals ten percent (10%) of the agreed to purchase price. If the selected developer signs a contract with the City to purchase the parcel but fails to perform, the Earnest Money may be retained by the City as liquidated damages.

CONTRACT

The selected Developer will be required to enter into a contract for sale within 60 days of the effective date of legislation approving the sale. The description of the project, drawings, and timeline, as refined through the process described above, shall constitute the “Development Plan” incorporated into the contract. A draft contract is included as Appendix B at the end of this document. Developers are advised to review the contract carefully. The City reserves the right to negotiate revisions to the form of contract. The selected Developer must notify the City in

writing of requests for changes to the language of the draft contract within 10 business days from the date of selection. If the Developer fails to reach agreement with the City on the language of the contract within the 60 day period after the effective date of legislation approving the sale, the Office of Housing may reject the development proposal, and re-advertise the property or enter into direct negotiations with one of the other qualified respondents to the RDQ/P. The Office of Housing reserves the right to extend these deadlines, but will only do so for a justifiable cause, and the extension will be specified in writing.

The contract for sale will commit the City to transfer the property to the Developer according to specific terms and conditions and upon completion of certain tasks. Office of Housing will monitor the issuance of permits to ensure conformance with the proposal approved by the City. The following will be required to complete the sale of property:

- Submission of a complete and acceptable set of coordinated construction documents, to include site plans, architectural and engineering drawings, and specifications.
- Office of Housing approval of final development plans as being consistent with the RDQ/P submission, or approval from the OH Director for any significant changes.
- All necessary permits and approvals to commence construction.
- A construction schedule approved by the Office of Housing.
- Written commitment from a lender, equity source, and other satisfactory evidence that construction and permanent financing has been secured.
- Deposit of the remaining necessary funds to complete the terms of sale of the property.
- Execution of affordability component and OH approval of form of affordability restrictions.

The contract will contain covenants requiring that at least 30 of the units be sold to households at or below 80% of area median income, and a description of which will be included as an exhibit to the contract document. The contract will prohibit assigning or transferring the property or any interest therein prior to completion of the project without the expressed written consent of the City.

Acceptance of the development proposal by the City does not waive the Developer's obligation to comply with all laws, rules and regulations applicable to the development of the parcel, including without limitation, all fair housing and nondiscrimination requirements and requirements for handicapped accessibility. The Office of Housing may conduct periodic site visits and inspections to ensure contract compliance. At construction completion the City will review the Developers compliance with the stipulations of the contract and issue a Certificate of Completion if all obligations have been fulfilled.

QUALIFICATIONS

EXPERIENCE

To demonstrate your team's qualifications you must identify the members of your development team. Include the Developer's name, the Corporation name (if applicable), or business name, address, telephone number, fax number, e-mail address, and the name of the primary project point of contact. In separate paragraphs, identify each person or company involved with the project team, their percentage of ownership interests in the development entity and their respective roles. Include information on the team member's experience and qualifications. Additionally include the resume of key team members. If a position in the team has not been filled yet, then include a description of the process that will be used to fill the position.

Describe your team's previous experience, similar projects completed and other projects in the development pipeline. The project described should illustrate the developer's experience with new construction projects similar in scope and size to what is being proposed for the 6th & Yesler parcel. Submit the following information on completed projects:

- Project name
- Description of project size and scope
- Location
- Total development budget
- Date project started and completed construction
- Name of the developer's project director or manager and contact phone number
- Name of the architect and contact phone number
- Name of the construction manager or general contractor and contact phone number
- Name of the property manager and contact phone number (if rental)

FINANCIAL CAPACITY

Provide information that documents the development entity's financial capability to complete the proposed project. Provide prior two years audited annual financial statements for the developer, and financial statements certified to be true and correct by an officer of the company. If the developer is a partnership, identify the partners and their percentage interest in the company. Provide a financial statement and past two years of tax returns for each partner having a ten percent (10%) or greater interest in the partnership or LLC. A single copy of corporate or personal financial information should be submitted in a sealed envelope clearly labeled as "Confidential." Financial data will be viewed solely by an Office of Housing reviewer, and will be destroyed when no longer needed for the selection process. The developer must also provide a list of references for financial institutions with whom they have had a business relationship in the past three years.

PROJECT PROPOSAL

DESCRIPTION

Provide a narrative description of the proposed development and how the project meets the RFQ/P requirements. Specify whether the housing will be rental or homeownership. Provide a residential unit count and mix that identifies the affordability commitments. If the proposal is for a mixed-use project, identify the amount of commercial/retail space. Describe the project design principles and explain how the proposed project will work with the physical constraints of the site. Describe how the project will fit within the existing fabric of the neighborhood and the surrounding properties. A narrative identifying the project lead, and describing their experience in successfully securing the permits and financing for projects of similar scale and complexity should be included in the application.

DESIGN

Include conceptual design drawings showing the size and character of the proposed development. Drawings must include, at a minimum, the following:

- A site plan showing the building footprint, parking, and location of curb cuts.
- A cross section showing a typical structure's relationship to the site grades.
- A typical unit floor plan.
- At least one elevation drawing or image of the type of structure proposed.

An outline specification must be included. All drawings submitted must be to scale.

The Office of Housing will review the selected Developer's final design to assure consistency with the plan presented with this RDQ/P. The Office of Housing reserves the right to allow or require changes to the design based on community input, Council direction, regulatory requirements, feasibility, and general city goals for appropriate development. The developer is responsible for assuring that their proposal can be feasibly developed in compliance with all applicable land use, building, and development standards.

DEVELOPMENT BUDGET AND FINANCING PLAN

The Developer must include a budget and related information for the proposed project. Appendix A provides the forms for the information that must be included in the proposal. Additional narrative information may also be included to explain the assumptions used in preparation of the budget.

A detailed financing plan, including projected sources of equity and financing for land acquisition, pre-development costs, construction, and permanent financing, as well as the projected timing for securing such funds, must be included as part of the budget and financing plan submittal. Applicants are encouraged to submit letters of interest from the proposed financing and equity sources and narrative analysis for how the project is likely to be successful in securing any competitively allocated sources of funds.

TIMELINE

The Developer must include a development timeline or schedule that includes, at a minimum, the following items:

- Completion of schematic design documents for Office of Housing review.
- Completion of fully coordinated design documents.
- Securing of necessary permits and approvals.
- Securing of acquisition and construction financing.
- Construction start and completion.

The development team's ability to move quickly to a construction start will be an important element in the selection process. A narrative describing past experience in moving quickly through design development, permitting and financing should be included with your proposed project timeline.

Prior to executing a purchase and sale agreement between the City and the Developer, an updated timeline will need to be approved by the Office of Housing. The approved timeline will become part of the purchase and sale agreement. The Developer will be obligated to meet the milestones set forth in the timeline unless otherwise authorized in writing by the Office of Housing. Maintaining the development schedule will be a requirement of terms of the land sale.

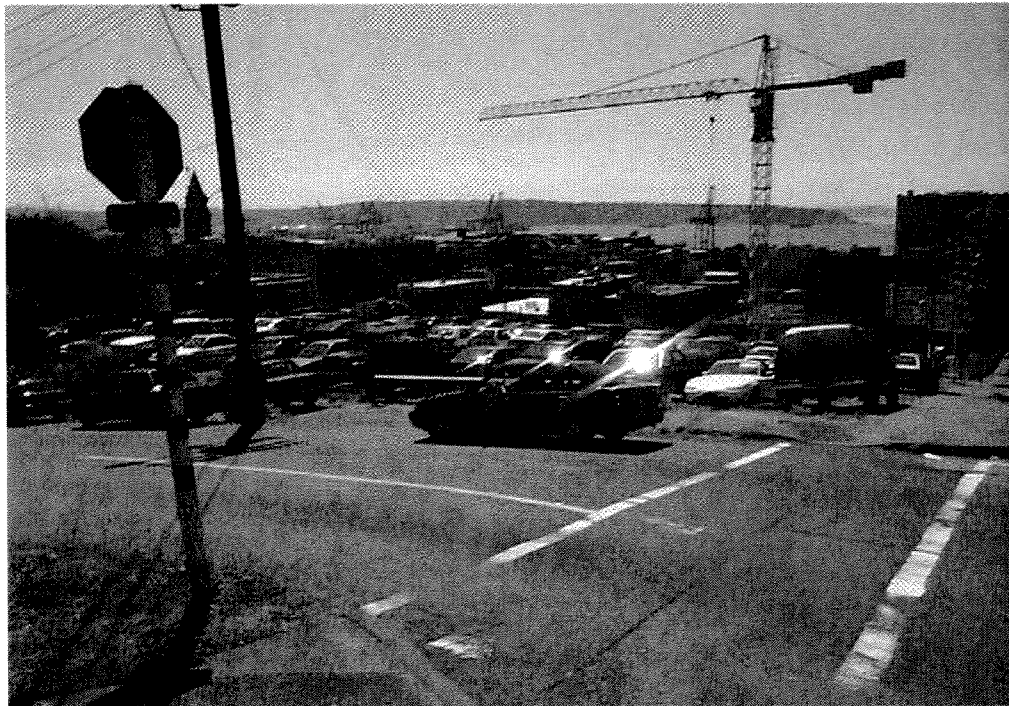
If you would like to schedule a meeting to discuss your development concept, or have questions concerning the requirements for a complete application call Adrienne Quinn, Director, Office of Housing at (206) 684-0721.



Site Location



View of the site from 6th Ave. looking South.



View of site from Southeast corner of 6th & Yesler intersection.



Aerial Photo 1999